

STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
Before the Director of the Department of Insurance and Financial Services

In the matter of:

Center for Physical Rehab and Therapy
Petitioner

File No. 21-1670

v

Meemic Insurance Company
Respondent

Issued and entered
this 7th day of February 2022
by Sarah Wohlford
Special Deputy Director

ORDER

I. PROCEDURAL BACKGROUND

On October 26, 2021, Center for Physical Rehab and Therapy (Petitioner) filed with the Department of Insurance and Financial Services (Department) a request for an appeal pursuant to Section 3157a of the Insurance Code of 1956 (Code), 1956 PA 218, MCL 500.3157a. The request for an appeal concerns the determination of Meemic Insurance Company (Respondent) that the Petitioner overutilized or otherwise rendered or ordered inappropriate treatment, products, services, or accommodations under Chapter 31 of the Code, MCL 500.3101 to MCL 500.3179.

The Petitioner's appeal is based on the denial of a bill pursuant to R 500.64(3), which allows a provider to appeal to the Department from the denial of a provider's bill. The Respondent issued the Petitioner a bill denial on October 3, 2021. The Petitioner now seeks reimbursement in the full amount it billed for the dates of service at issue.

The Department accepted the request for an appeal on November 16, 2021. Pursuant to R 500.65, the Department notified the Respondent and the injured person of the Petitioner's request for an appeal on November 16, 2021 and provided the Respondent with a copy of the Petitioner's submitted documents. The Respondent filed a reply to the Petitioner's appeal on December 6, 2021.

The Department assigned an independent review organization (IRO) to analyze issues requiring medical knowledge or expertise relevant to this appeal. The IRO submitted its report and recommendation to the Department on December 15, 2021.

II. FACTUAL BACKGROUND

This appeal concerns the denial of payment for physical therapy treatments rendered on August 27 and 30, 2021, and September 2, 2021, under procedure codes 97140, 97112, 97535, 97110, 97014, and 97010. The procedure codes are described as: manual therapy, neuromuscular reeducation, self-care/home-management training, therapeutic exercise, electrical stimulation, and application of hot/cold pack, respectively. In its *Explanation of Benefits* letter issued to the Petitioner, the Respondent denied payment on the basis that treatment “exceeds the period of care for either utilization or relatedness.” The Respondent referenced American College of Occupational and Environmental Medicine (ACOEM) practice guidelines in support of its determination.

With its appeal request, the Petitioner submitted documentation which identified the injured person’s diagnoses as cervicgia, pain in left shoulder, and low back pain following a May 2017 motor vehicle accident. In a September 2, 2021 progress note, the Petitioner noted the injured person’s chief complaints as difficulty with prolonged sitting and standing, bending/lifting, and sleeping. The Petitioner’s submitted treatment notes also indicated that the injured person’s treatment consisted of “myofascial release, [kinesio-taping] for posture, reach pinch lift, self-care, pulley’s, cold pack, and electrical stimulation.”

In its reply, the Respondent reaffirmed its initial determination that the physical therapy treatments were overutilized. The Respondent again referred to ACOEM practice guidelines, and stated:

In accordance with ACOEM, physical therapy visits for shoulder, low back, cervical, and thoracic spine conditions. The medical records do not support this request, as the claimant has received greater than 6 sessions of physical therapy[.] The physical therapy sessions exceed the ACOEM quantity recommendations, as therapy was given for 9 sessions, with opportunity to initiate and reinforce a home strengthening, exercise program.

III. ANALYSIS

Director’s Review

Under MCL 500.3157a(5), a provider may appeal an insurer’s determination that the provider overutilized or otherwise rendered inappropriate treatment, products, services, or accommodations, or that the cost of the treatment, products, services, or accommodations was inappropriate under Chapter 31 of the Code. This appeal involves a dispute regarding inappropriate treatment and overutilization.

The Director assigned an IRO to review the case file. In its report, the IRO reviewer concluded that, based on the submitted documentation, medical necessity was not supported on the dates of service at issue and the treatment was overutilized in frequency or duration based on medically accepted standards.

The IRO reviewer is board-certified in physical medicine and rehabilitation with additional certification in electrodiagnostic medicine and acupuncture. In its report, the IRO reviewer referenced R 500.61(i), which defines “medically accepted standards” as the most appropriate practice guidelines for the treatment provided. These may include generally accepted practice guidelines, evidence-based practice guidelines, or any other practice guidelines developed by the federal government or national or professional medical societies, board, and associations. The IRO reviewer relied on Official Disability Guidelines (ODG) and medical literature for its recommendation.

The IRO reviewer opined that the most appropriate practice guideline for the injured person’s clinical scenario ODG. The IRO reviewer noted that the practice guidelines recommend nine physical therapy visits over eight weeks for the diagnosis of low back pain. The IRO reviewer noted that ODG guidelines recommend nine visits based on the injured person’s clinical scenario. However, the IRO reviewer also stated that it was unable to determine, based on the submitted medical documentation, if visits 1 through 6 occurred during an eight-week timeframe. Therefore, the IRO reviewer was unable to determine whether the treatments actually exceeded the number recommended by ODG.

However, the IRO reviewer recommended upholding the Respondent’s determination on the basis that there was no documentation of significant improvement. Specifically, the IRO reviewer noted that the injured person presented with lower back pain and submitted documentation indicated active range of motion of the lumbar was at 90% flexion and 75% extension. The IRO reviewer noted that the injured person’s standing, sitting, walking, and bending abilities were rated at 60%. The IRO reviewer further noted that pain levels, lower extremity strength, and function were not recorded in the Petitioner’s submitted documents. The IRO reviewer opined that medical necessity was not supported, and stated:

During the time frame of 8/27/21 to 9/2/21, there was no documentation of significant improvement in pain levels, strength, lumbar range of motion, or lower extremity strength.

Based on the above, the IRO reviewer recommended that the Director uphold the Respondent’s determination that the physical therapy treatments provided to the injured person on August 27 and 30, 2021, and September 2, 2021 were not medically necessary in accordance with medically accepted standards, as defined by R 500.61(i).

IV. ORDER

The Director upholds the Respondent’s determination dated October 3, 2021.

This order applies only to the treatment and dates of service discussed herein and may not be relied upon by either party to determine the injured person’s eligibility for future treatment or as a basis for action on other treatment or dates of service not addressed in this order.

This is a final decision of an administrative agency. A person aggrieved by this order may seek judicial review in a manner provided under Chapter 6 of the Administrative Procedures Act of 1969, 1969 PA 306, MCL 24.301 to 24.306. MCL 500.244(1); R 500.65(7). A copy of a petition for judicial review should be sent to the Department of Insurance and Financial Services, Office of Research, Rules, and Appeals, Post Office Box 30220, Lansing, MI 48909-7720.

Anita G. Fox
Director
For the Director:

X *Sarah Wohlford*

Sarah Wohlford
Special Deputy Director
Signed by: Sarah Wohlford